



COUNTY OF LOS ANGELES

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To: Board Information Technology Deputies

From: Jon W. Fullinwider
Chief Information Officer

Subject: **eCAPS PHASE I SUCCESS INDICATORS**

This report addresses your April 16, 2006 request for an analysis of benefits or success indicators to assure the Board of Supervisors that eCAPS Phase I, the countywide implementation of eCAPS Financial System, has met the goals and objectives that it was funded and implemented to address. This request is timely in that eCAPS Phase I has completed the County's Fiscal Year (FY) 2005-06 annual close activities in August 2006.

METHODOLOGY

In gathering the information for this report we worked with the Auditor-Controller (A-C) to identify the types of benefits that were expected and the value to the County. We used the project objectives that were identified in the A-C's Board request on April 6, 2004 as the baseline for this analysis. These objectives include:

1. Providing improved financial information and support to decision makers in a short time frame as possible;
2. Meeting the growing demand for timely, accessible and detailed financial information;
3. Migrating the County's financial systems to a level supported by the product vendor;
4. Improving the Auditor-Controller's viability to maintain and train its workforce on critical County financial systems;
5. Laying a foundation for exploring more effective or efficient business processes, such as consolidating departments' fiscal functions; and
6. Providing a technology upgrade for the infrastructure supporting the County's financial systems.

Each of these six areas contains a variety of tangible and intangible benefits, which were realized with the implementation of eCAPS. A section discussing the challenges and "lessons learned" is presented at the conclusion of this report.

ANALYSIS OF eCAPS BENEFITS

On July 1, 2005, eCAPS was implemented on schedule and on budget. Currently, eCAPS on average is processing approximately one million documents per month and during FY 2005-06 more than four million accounting transactions have been recorded. Also, over 400,000 electronic fund transfers have been processed. In addition, the County successfully processed 22,000 1099 transactions this past January and has completed the final stage of its first year-end accounting close in eCAPS on August 26, 2006.

The A-C stated in its April 2004 request that eCAPS would promote the Board-approved County Strategic Plan Goals of Service Excellence, Workforce Excellence, Organizational Effectiveness, and Fiscal Responsibility by laying the foundation for gathering the financial data and monitoring capabilities to support the County's initiative for Performance Counts!, and the supporting Auditor-Controller's objective for consolidating and standardizing departments' fiscal functions. eCAPS has met these County goals by:

- Implementing Chart of Accounts (COA) coding and programmatic budget structures that support the Performance Counts! initiative. Six departments utilized this capability in FY 2005-06 and the use was expanded to 20 departments for FY 2006-07; and
- Applying improvements in fiscal processing, improving compliance with County fiscal policies and procedures, and ensuring overall fiscal responsibility with a consistent application of fiscal procedures countywide.

Another goal of the project was to meet the Department of Health Services (DHS) financial requirements necessary to replace their legacy HBOC General Ledger and Accounts Payable applications. The eCAPS Project enabled DHS to replace this system with eCAPS and standardize their fiscal COA and reporting across all areas of the Department, significantly improving their financial management.

Table 1 describes how eCAPS performed against its original project objectives as identified in the Auditor-Controller's Board request.

Table 1
Analysis of eCAPS Project Objectives

Project Objectives	Analysis of Benefits
1. Provide improved financial information and support to decision makers in a short time frame as possible.	<ul style="list-style-type: none">• eCAPS application provides for real-time update and recording of information as transactions are validated and processed. On-line queries are available to acquire up-to-date and accurate financial information on budget status, payments, contracts and vendor information.• Monthly production reports are now available on-demand and improved online inquiry capabilities provide enhanced visibility to budgets and payments.• Streamlined expense accounts resulting from the elimination of numerous duplicate and non-descriptive accounts significantly enhanced the ability to track and monitor Countywide expenditures.• Restructured and consolidated vendor information that eliminated duplicate vendor records and enhanced the County's ability to track and monitor payments to specific vendors.• Recently rolled out in August 2006 eCAPS COGNOS Business Intelligence Financial Cubes for expenditure, revenue and balance sheet. These cubes contain summarized totals (i.e., month-to-date and year-to-date) for each level of COA both countywide and departmental elements, which enable departments to perform online analysis and download results into a variety of output formats.

Project Objectives	Analysis of Benefits
2. Meet the growing demand for timely, accessible and detailed financial information.	<ul style="list-style-type: none">• eCAPS web-based capabilities allow authorized users across the County to access eCAPS using the County standard web browsers and the Enterprise Network.• Departmental COA elements allow departments to track and monitor financial information at a more detailed level without compromising the uniformity of the Countywide COA.• New COA elements enable departments to capture supplemental information (e.g., location, Supervisorial District, activity, and function) that supports improved financial reporting.• eCAPS provides the capability for online viewing of bank warrant images, which significantly streamlined the verification of payments.
3. Migrate the County's financial systems to a level supported by the product vendor.	<ul style="list-style-type: none">• eCAPS financial applications are now running on up-to-date hardware and operating systems. The eCAPS suite is within one version of the latest software supported by the vendor and will be migrated to the latest version by this November 2006. Maintaining currency with the product vendor enables the County to effectively maintain and enhance eCAPS by facilitating access to vendor support for problem resolution, patches to fix software, and new software releases that offer new functionality and features.
4. Improve the Auditor-Controller's viability to maintain and train its workforce on critical County financial systems.	<ul style="list-style-type: none">• Extensive technical and end-user training was provided with the system implementation and continues on an on-going basis to address special needs, such as year end processing or improvements in processing payments to vendors. The A-C will be expanding its training capabilities to support enterprise eCAPS end-user needs in FY 2006-2007 budget.• The standardized web-based graphical user interface (GUI) of eCAPS also reduces training needs by providing a common approach and knowledge to processing financial transactions countywide.

Project Objectives	Analysis of Benefits
5. Lay a foundation for exploring more effective or efficient business processes, such as consolidating departments' fiscal functions.	<ul style="list-style-type: none">• eCAPS laid the foundation for the implementation of the A-C's initiative of Shared Services which began the consolidation of fiscal functions for 19 departments.• The new/enhanced eCAPS functionality on project accounting, cost accounting, grant accounting, <i>Performance Counts!</i>, monitoring and expanded elements of the COA provide departments additional opportunities to improve operations and meet their business needs while maintaining the integrity of the countywide COA.• eCAPS consolidated the A-C's check printing operations and eliminated 21 disparate check-writing systems.• Laid the foundation to consolidate other departmental financial systems, such as the Department of Health Services HBOC and Department of Public Works' Financial Accounting System (FAS).
6. Provide a technology upgrade for the infrastructure supporting the County's financial systems.	<ul style="list-style-type: none">• eCAPS applications are running on up-to-date hardware and operating systems utilizing modern web-based technologies, operating systems and languages, such as XML, Java and AIX. Users access the application from any machine using County standard web browsers and the Enterprise Network.

In addition to meeting its project objectives, eCAPS also realized the following benefits, some of which were identified in the County's Enterprise Resource Planning Feasibility Study:

- Eliminated thousands of paper-based transactions, such as journal vouchers, deposit permits, and interdepartmental billing documents.
- Improved financial management of contracts through contract encumbrances and online monitoring of contracts, as well as improved accuracy of contract financial information by eliminating manual entry of self-reported information into the Countywide Contract Management System.
- Enhanced fiscal controls using electronic workflow and approval processes that are aligned with and enforces the County's fiscal policies.

- Provided greater visibility to detailed line item financial data and budget status through user-friendly online inquiry screens.

LESSONS LEARNED

As with any large scale enterprise project, the eCAPS Project encountered its share of issues and challenges. A recent end user survey conducted by the CIO in July 2006 reported that system user satisfaction continues to improve with an overall 82% Good/Fair rating. Based upon feedback from the survey and department outreach sessions, the A-C will be concentrating its efforts in the next year to provide:

- **Additional training and support.** This will include training on how to better use existing reports, on-line queries, and on-line screens to extract management information from the system, refreshers on processing transactions, and updates to County policies and procedures.
- **Enhanced reporting capability.** While significant progress has been made in improving the integrity, relevance and availability of reports, plans are underway to expand the use of new functionality (e.g., cubes, drill down, etc.) to improve management reporting.
- **Assistance in optimizing system functionality.** eCAPS application provides new functionality to departments in areas such as tracking expenses and revenues, monitoring contracts, project accounting, grant accounting, and cost accounting that are underutilized by departments. The eCAPS Project Team will be exploring ways to assist departments in learning and leveraging this new functionality.

SUMMARY

In summary, the eCAPS Project has met its project goals and objectives. Additional improvements will continue as departments explore options to improve their business operations and meet new business needs. eCAPS lays a sound foundation to build on improvements as the County moves forward with future phases of the eCAPS Project.

If you have questions, please contact me at (213) 974-2008, or Gregory Melendez, of my staff, at (213) 974-1710.

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c: All Department Heads
Information Systems Commission